



GARY R. HERBERT
Governor

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Lieutenant Governor

State of Utah

DEPARTMENT OF NATURAL RESOURCES

MICHAEL R. STYLER
Executive Director

Division of Oil, Gas and Mining

JOHN R. BAZA
Division Director

August 25, 2011

Rick Havenstrite
Desert Hawk Gold Corporation
1290 Holcomb Ave.
Reno, Nevada 89502

William Moeller
Clifton Mining Company
80 West Canyon Crest Road, Suite D
Alpine, Utah 84004

Subject: Map Needed for Permit Transfer, Desert Hawk Gold Corporation and Clifton Mining Company, Herat Mine, S/045/0023, Tooele County, Utah

Dear Messrs. Havenstrite and Moeller

On August 22, 2011, the Division of Oil, Gas and Mining received a reclamation contract and a cash surety in the amount of \$27,800.00 as part of the transfer of the referenced mine from Clifton Mining Company to Desert Hawk Gold Corporation. This bond amount is based on average costs per acre for regrading, spreading soil, and seeding.

The Division's letter of April 27, 2011, listed one last item that was needed before the transfer could be considered complete: submittal of a map showing the location of the five acres of disturbance. As required in R647-3-105.2 (see below), the map needs to show the location of the disturbance together with any facilities. Any processing facilities to be located at the mine site need to be shown and would likely require an increase in the surety.

The map needs to meet the standards of rule R647-3-105.2 for an operations map. The requirements of this rule are:

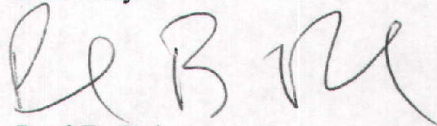
2. The operations map (1"=200' or other scale as determined necessary by the Division) shall identify:
 - 2.11. The area to be disturbed;
 - 2.12. The location of any existing or proposed operations including access roads, drill holes, trenches, pits, shafts, cuts, or other planned small mining activities; and
 - 2.13. Any adjacent previous disturbance for which the operator is not responsible.

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The definition of "on-site" in R647-1-106 says, "A series of related properties under the control of a single operator but separated by small parcels of land controlled by others will be considered a single site unless excepted by the Division." The Herat and Yellow Hammer mines are close enough that they should probably fall within this definition, but the Division is willing to allow them to exist as separate small mines for now. If any other areas are to be mined in this vicinity, the Division will re-examine whether a Notice of Intention to Commence Large Mining Operations will be required.

Please submit this map so we can complete the permit transfer. Thank you for your cooperation, and please let me know if you have questions about this letter.

Sincerely

A handwritten signature in black ink, appearing to read 'P B Baker', written in a cursive style.

Paul B. Baker
Minerals Program Manager

PBB:lah:eb
cc: BLM - Stephen_Allen@blm.gov
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